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**MADSEN
RED LAKE GOLD
MINES,**

L I M I T E D

**ANNUAL REPORT
1974**



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MADSEN RED LAKE GOLD MINES, LIMITED

directors

PAUL H. McCLOSKEY, M.C., B.Sc.

Mining Executive

Toronto

HUGH H. MACKAY

*Director of PITFIELD, MACKAY, ROSS
& COMPANY LIMITED, INVESTMENT DEALERS*

Rothesay, N.B.

FOSTER W. HEWITT

Radio Executive, President of RADIO STATION CKFH

Toronto

DONALD W. FALCONER, Q.C.

*Solicitor and Partner in HOLDEN, MURDOCH, WALTON,
FINLAY, ROBINSON.*

Toronto

A. D. HELLENS, M.C., B.Sc.

Mining Engineer

Toronto

officers

PAUL H. McCLOSKEY, M.C., B.Sc., *President*

Toronto

FOSTER W. HEWITT, *Vice-President*

Toronto

M. MASTERSON, *Secretary-Treasurer*

Toronto

J. A. HAMBLETON, P.E. *Mine Manager*

Madsen

REPORT OF THE DIRECTORS

To The Shareholders:

Your Directors submit the Thirty-Ninth Annual Report which includes the Auditors' financial statement and the Mine Manager's report covering the year ended December 31, 1974.

On October 24, 1974, the Shareholders of the Company approved and authorized the execution of an agreement dated September 14, 1974, made between the Company and Bulora Corporation Limited providing for the sale to Bulora of the Company's mine and all adjacent mining properties and all mine buildings and mine equipment in the Red Lake area of Ontario for the sum of \$1,700,000.00. The effective date of the sale was September 15, 1974. The closing date was October 28, 1974. Under the Agreement, Bulora undertook to pay the Company a royalty equal to 15% of the Net Proceeds derived from the sale of ores or products from the mine. The future of the mine and the payment of the royalty depends almost entirely on the future price of gold.

Before deducting an extraordinary item, earnings for the period January 1 to September 15, 1974, were \$935,106.77 or 26 cents per share compared to \$673,943.94 or 19 cents per share for the year 1973.

Reflecting the sale of the mine, deduction of the extraordinary item amounting to \$1,398,876.38, resulted in a net loss of \$463,769.61 or 13 cents per share. The breakdown of this item is as follows: (a) loss on sale of Red Lake property — \$587,651.74, (b) loss of fixed assets at the mine — \$259,360.38, (c) loss on deferred development — \$126,368.16, (d) expenses — \$30,496.10, (e) income taxes — \$255,000.00, (f) deferred income tax — \$140,000.00.

For the period January 1 to September 15, 1974, the average free market price received for gold was \$153.01 per ounce compared with \$99.28 per ounce in the year 1973.

Marketable securities are shown at a cost of \$399,769.18 in the current assets. The market value of these shares is \$623,535.76 at December 31, 1974.

The Board of Directors declared a dividend of 42 cents per share out of earnings, amounting to \$1,493,602.32, paid September 30, 1974.

Working capital was \$2,611,594.86 at December 31, 1974, compared to \$2,654,400.53 at December 31, 1973.

The ten-year financial summary is appended to this report.

The Company has no plans to wind up its affairs in the foreseeable future. No definitive exploration policy can be formulated by the Company until some incentives are offered to the mining industry by the federal and provincial governments. Meanwhile, the Company intends to continue as a holding company through investments in mining and other securities.

OTHER INTERESTS

BAFFINLAND IRON MINES LIMITED — Your Company has a 20.06% interest — 680,075 shares. Previous drilling indicated 123,500,000 tons of 68.13% iron. This project is managed by Hudson Bay Mining and Smelting Company Limited. It remained dormant during the year.

POTASH — SASKATCHEWAN — The freehold acquisition totalling 4,390 acres of land is still retained by the Company.

LASSIE RED LAKE GOLD MINES LIMITED — Your Company owns 335,500 shares. This property is located in the Red Lake area of Ontario, tying on to both Campbell Red Lake Mines Limited and Dickenson Mines Limited. It is managed by Dome Exploration (Canada) Limited. Approximately 27 years ago Dome completed an exploration and surface diamond drilling program. Further investigation of the property would have to be through the workings of adjoining properties, that is to say, if one of the adjoining properties found that the ore dipped on to the Lassie property at depth, then perhaps a deal could be worked out where further investigation of the Lassie property could be carried out from depth. Otherwise the surface drilling that was done so many years ago, even at today's prices for gold, is still not encouraging.

APPRECIATION

The Directors take this opportunity to express appreciation to the Mine Manager, J. A. Hambleton, and the employees for their loyal and efficient services rendered to the Company.

Respectfully submitted on behalf of the Board.

P. H. McCLOSKEY,
President.

Toronto, Ontario,
April 3, 1975.

REPORT OF THE MINE MANAGER

The President and Directors,
Madsen Red Lake Gold Mines Limited,
Toronto, Ontario

Gentlemen:

The Thirty-Ninth Annual Report, covering the mining operations for the period from January 1st, 1974 to September 15th, 1974, is submitted for your consideration.

PRODUCTION

The following figures show the production for the eight and one-half month period to September 15th for 1974 and the year 1973.

	To Sept. 15, 1974	1973
Ounces of gold	22,194.687	29,162.880
Ounces of silver	2,888.14	4,346.76
Gross Value of Bullion	\$3,409,159.25	\$2,906,563.42
Average Price of gold/oz.	\$ 153.01	\$ 99.28
Average Price of silver/oz.	\$ 4.55	\$ 2.57

OPERATING COSTS

	To Sept. 15, 1974	1973
Tons Milled	90,127	126,070
Tons per day	349	345
Ounces produced	22,194.687	29,162.880
Ounces per day	86.03	79.90

	To Sept. 15, 1974			1973		
	Total Cost	Per Ton Milled	Per Ounce	Total Cost	Per Ton Milled	Per Ounce
Property Exploration	\$ 72,569.77	\$ 0.805	\$ 3.270	\$ 70,729.05	\$ 0.561	\$ 2.425
Deferred Development	197,915.94	2.196	8.917	31,484.59	0.250	1.080
Mine Development	288,854.41	3.205	13.014	161,255.48	1.279	5.529
Mining	1,103,843.36	12.248	49.733	1,173,823.99	9.311	40.251
Crushing and Conveying	45,178.31	0.501	2.036	60,527.07	0.480	2.075
Milling	233,273.39	2.588	10.510	303,305.74	2.406	10.400
General Expense	233,477.98	2.591	10.519	257,767.06	2.045	8.839
Employee Benefits	251,674.70	2.792	11.339	268,113.71	2.126	9.194
Administration Expense	80,957.81	0.898	3.648	62,513.29	0.496	2.144
Marketing Charges	25,481.22	0.283	1.148	21,308.38	0.169	0.731
Net Operating Cost	\$2,533,226.89	\$28.107	\$114.134	\$2,410,828.36	\$19.123	\$82.668

MINE DEVELOPMENT

The following table shows the total footage of development work completed during the eight and one-half month period during 1974 and with comparable footage for 1973, 1972 and total to date.

	To Sept. 15, 1974	1973	1972	Total to Date
Shaft Sinking and Station Cutting				5,462
Crosscutting	73	162	527	39,932
Drifting	1,146	837	1,323	185,721
Raising	555	191	2,256	79,730
Diamond Drilling (contract)	8,816	16,994	12,145	2,043,641
Diamond Drilling (packsack)	880	4,185	8,191	340,971
Surface Drilling (contract)	3,052	5,313		196,228
Draw Points			3	525
Ramps	1,111	1,338		2,689
Charging Stations, etc.			308	308

The footages of development completed during the year are shown by levels in the following table:

Level	Crosscutting	Drifting	Raising	Ramping
7	—	146	187	—
8	—	—	53	—
9	73	116	—	—
14	—	79	—	—
16	—	20	—	400
17	—	419	—	—
18	—	—	163	—
22	—	366	105	—
23	—	—	14	—
24	—	—	33	—
25	—	—	—	711
	<u>73</u>	<u>1,146</u>	<u>555</u>	<u>1,111</u>

SOURCES OF ORE TO THE MILL

Ore Zone No.	Tons	Grade	Ounces
1	29,050	0.274	7,959.6
2	20,310	0.224	4,552.2
3	30,575	0.236	7,221.6
8	10,170	0.335	3,405.2
# 1 Shaft	860	0.202	173.3
Total	<u>90,965</u>	<u>0.256</u>	<u>23,311.9</u>

BACKFILL

27,770 tons of deslimed tailings were placed as backfill during the eight and one-half month period for a total of 2,174,590 tons to date compared with 59,890 tons during the year 1973.

The "A" unit in the mill treated 1,180 tons of waste to produce 700 tons of backfill or 2.5% of the total.

ORE RESERVES

Estimated ore reserves as at September 30, 1974 and comparable figures for 1973 are as follows:

	Sept. 30, 1974			Dec. 31, 1973		
	Tons	Grade	Ounces	Tons	Grade	Ounces
Developed	126,697	0.19	23,876	222,372	0.22	47,816
Probable (below levels)	72,000	0.30	21,600	60,000	0.35	21,000

There is also an additional estimated 118,300 tons grading 0.15 oz. left in remnants in the upper levels of the mine. Some of this may be mineable at the higher price of gold.

MILLING

The milling data for the current year, the previous two years and the total to date are shown in the following table:

	Sept. 15, 1974	1973	1972	Aug. 11, 1974 Sept. 15, 1974
Dry tons treated	90,127	126,070	138,250	8,140,233
Percentage Operating Time	87.4	83.9	87.4	90.37
Tons Treated Per Day	349.3	345.4	377.7	577.24
Mill Heads, ozs./ton	0.257	0.244	0.288	0.310
Mill Tails, ozs./ton	0.011	0.012	0.015	0.019
Percentage Recovery	95.65	94.96	94.82	93.74

The "B" unit of the mill operated continuously during the period. The "A" unit was operated only to produce extra backfill as required.

GENERAL

Exploration work carried out by both Madsen personnel and outside consultants has failed to disclose further material of economic interest.

Mining carried out in the No. 1 Shaft zone proved disappointing. Although initial sampling was substantiated, the zone appeared to be erratic and mining was discontinued.

To maintain production, declines are being driven below the bottom levels for the extraction of small ore lenses in both No. 8 and No. 1 zones and this ore will be available during 1975.

Although the labour contract was effective until August 1, 1974, management found it necessary to grant an additional interim wage increase of up to 95 cents per hour plus additional fringe benefits effective April 1, 1974 and a further increase of 30 cents per hour effective September 1, 1974. The contract was then extended until April 1, 1975 at which time further substantial increases are expected.

Despite these sharp increases, a shortage of labour and a high turnover rate continued to hamper operations. These factors, together with escalating material prices resulted in excessively high production costs. Under present policies these trends can be expected to continue.

CONCLUSION

The support of the President and the Directors and Officers of the Company and the appreciation of the work of the Staff and employees at the mine are gratefully acknowledged.

Yours very truly,

J. A. Hambleton, P.Eng.,

Mine Manager.

Madsen, Ontario
March 1975

MADSEN RED LAKE GOLD MINES, LIMITED

STATEMENT OF EARNINGS

for the year ended December 31, 1974

	1974	1973
Bullion production		
Gold	\$ 3,396,015.84	\$ 2,895,398.46
Silver	13,143.41	11,164.96
	<hr/>	<hr/>
Marketing charges	3,409,159.25	2,906,563.42
	25,481.22	21,308.38
	<hr/>	<hr/>
	3,383,678.03	2,885,255.04
Operating and administration costs		
Mining	1,103,843.36	1,173,823.99
Crushing and milling	278,451.70	363,832.81
Mine development	559,340.12	244,502.13
Employee benefits	251,674.70	268,113.71
Management and general expense at the property	233,477.98	257,767.06
Administration	80,957.81	62,513.29
	<hr/>	<hr/>
	2,507,745.67	2,370,552.99
Operating profit	875,932.36	514,702.05
Other income		
Investment income	202,570.79	114,370.04
Gain on sale of fixed assets		85,623.29
Hydro rebate		72,838.94
	<hr/>	<hr/>
	202,570.79	272,832.27
Depreciation	1,078,503.15	787,534.32
Amortization	343.80	73,104.37
Income and mining taxes	18,052.58	25,486.01
	<hr/>	<hr/>
	125,000.00	15,000.00
	<hr/>	<hr/>
	143,396.38	113,590.38
Net earnings before extraordinary item	935,106.77	673,943.94
Extraordinary item (note 3)	1,398,876.38	
Net earnings (loss)	\$ (463,769.61)	\$ 673,943.94
Net earnings per share before extraordinary item	<hr/>	<hr/>
	\$ 0.26	\$ 0.19
Net earnings (loss) per share	<hr/>	<hr/>
	\$(0.13)	\$ 0.19

STATEMENT OF RETAINED EARNINGS

for the year ended December 31, 1974

	1974	1973
Balance, beginning of year	\$ 3,322,195.55	\$ 2,705,504.19
Net earnings	<hr/>	673,943.94
	3,322,195.55	3,379,448.13
Dividend #49	1,493,602.32	
Net loss	463,769.61	52,129.72
Acquisition costs and exploration expenditure on mining claims abandoned	213.49	5,122.86
Adjustment of prior year's expenses	<hr/>	<hr/>
	1,957,585.42	57,252.58
Balance, end of year	<hr/>	<hr/>
	\$ 1,364,610.13	\$ 3,322,195.55

BALANCE SHEET

December 31, 1974

ASSETS

	1974	1973
CURRENT ASSETS		
Cash	\$ 59,836.87	\$ 442,526.72
Short term deposits	1,980,513.11	1,455,000.00
Bullion in storage	356,343.13	
Bullion	18,142.41	
Bullion in transit		207,000.74
Accounts receivable	34,594.47	20,724.75
Note receivable	216,000.00	
Marketable securities, at cost	399,769.18	336,050.54
(Market value 1974 \$623,535.76; 1973 \$529,087.88)		
Materials and supplies, at cost		406,620.52
Prepaid expense		19,877.28
	<u>3,065,199.17</u>	<u>2,887,800.55</u>
NOTES RECEIVABLE (note 1)	384,000.00	
SHARES IN MINING COMPANIES, at cost		
Baffinland Iron Mines Limited		
680,075 shares	576,451.25	568,387.25
Other	43,584.50	43,584.50
	<u>620,035.75</u>	<u>611,971.75</u>
PROPERTY, PLANT AND EQUIPMENT, at cost		
Buildings, machinery and equipment	20,708.41	5,964,103.38
Less: Accumulated depreciation	19,333.21	5,671,686.91
	<u>1,375.20</u>	<u>292,416.47</u>
Mining property — Red Lake		1,705,148.62
Deferred mine development, at cost less amount amortized		144,420.74
	<u>1,375.20</u>	<u>2,141,985.83</u>
OTHER MINING PROPERTIES		
Mining claims, at cost	26,953.50	31,024.50
Deferred exploration expenditure	4,685.82	5,380.44
	<u>31,639.32</u>	<u>36,404.94</u>
	<u>\$ 4,102,249.44</u>	<u>\$ 5,678,163.07</u>

Approved by the Board:

P. H. McCLOSKEY, Director

D. W. FALCONER, Director

MADSEN RED LAKE GOLD MINES, LIMITED

(Incorporated under the laws of Ontario)

LIABILITIES

CURRENT LIABILITIES

	1974	1973
Accounts payable and accrued charges	\$ 96,057.31	\$ 188,151.53
Wages payable		30,248.49
Taxes payable	357,547.00	15,000.00
	<u>453,604.31</u>	<u>233,400.02</u>
DEFERRED INCOME TAXES	140,000.00	
	<u>593,604.31</u>	<u>233,400.02</u>

SHAREHOLDERS' EQUITY

SHARE CAPITAL (note 2)

Authorized		
5,500,000 shares without par value		
Issued and fully paid		
3,556,196 shares (1973 3,520,528 shares)	2,144,035.00	2,122,567.50
RETAINED EARNINGS	<u>1,364,610.13</u>	<u>3,322,195.55</u>
	3,508,645.13	5,444,763.05
	<u><u>\$ 4,102,249.44</u></u>	<u><u>\$ 5,678,163.07</u></u>

AUDITORS' REPORT

To the Shareholders,
Madsen Red Lake Gold Mines, Limited.

We have examined the balance sheet of Madsen Red Lake Gold Mines, Limited as at December 31, 1974, and the statements of retained earnings, earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1974, and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
February 27, 1975.

GLENDINNING JARRETT & CO.
Chartered Accountants

MADSEN RED LAKE GOLD MINES, LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended December 31, 1974

Source of Funds	1974	1973
From operations		
Net earnings before extraordinary item	\$ 935,106.77	\$ 673,943.94
Depreciation	343.80	73,104.37
Amortization	18,052.58	25,486.01
Gain on sale of fixed assets		(85,623.29)
Sale of fixed assets	953,503.15	686,911.03
Issue of 35,668 shares (1973 21,000 shares)	10,330.00	98,577.25
Proceeds of sale of mining property, buildings, machinery and equipment less current income taxes of \$255,000.00	21,467.50	13,200.00
Sale of investments	914,503.90	
	1,899,804.55	250.00
		798,938.28
Application of Funds		
Dividend #49	1,493,602.32	
Long term portion of notes receivable	384,000.00	
Additions to buildings and equipment	53,992.91	100,318.72
Outside exploration	2,950.99	2,385.33
Investment in Baffinland Iron Mines Limited	8,064.00	
Deferred development		169,906.75
Acquisition cost of mining claims		16,829.04
Prior year's adjustment		5,122.86
	1,942,610.22	
	(42,805.67)	294,562.70
Increase (Decrease) in Working Capital		504,375.58
Working Capital Beginning of Year	2,654,400.53	2,150,024.95
Working Capital, End of Year	\$ 2,611,594.86	\$ 2,654,400.53

DISTRIBUTION OF GROSS INCOME

for the year ended December 31, 1974

Gross income	1974	1973
Bullion	\$ 3,409,159.25	\$ 2,906,563.42
Interest and other income	202,570.79	272,832.27
	<u>\$ 3,611,730.04</u>	<u>\$ 3,179,395.69</u>
Distribution		
Materials, supplies, contractors and general operating expenses	\$ 1,228,657.38	\$ 710,551.17
Salaries and wages	927,251.19	1,250,306.96
Hydro electric power	120,061.50	157,431.86
Workmen's compensation silicosis insurance	89,508.30	83,559.25
Holidays with pay and unemployment insurance	67,422.00	82,355.62
Pension, group insurance and medical expense	43,969.37	52,356.58
Boarding house and employees, travel expense	56,357.15	55,299.93
Depreciation	343.80	73,104.37
Amortization	18,052.58	25,486.01
Taxes	125,000.00	15,000.00
Extraordinary item	1,398,876.38	
Net earnings (loss)	(463,769.61)	673,943.94
	<u>\$ 3,611,730.04</u>	<u>\$ 3,179,395.69</u>

MADSEN RED LAKE GOLD MINES, LIMITED

NOTES TO FINANCIAL STATEMENTS

December 31, 1974

1. Notes receivable

Notes are outstanding at 5% per annum as follows:

October 25, 1975	\$ 216,000.00
October 25, 1976	217,000.00
October 25, 1977	167,000.00
	600,000.00
Less: Current portion	216,000.00
	<u>\$ 384,000.00</u>

2. Share capital

- (a) During the year ended December 31, 1974, the Company issued 35,668 shares for \$21,467.50 cash.
- (b) Options to an officer of the Company are outstanding on 11,666 shares at \$0.70 per share exercisable on or before March 25, 1976.

3. Extraordinary item

On September 15, 1974 the Company sold its property, plant, supplies and equipment at Madsen, Ontario for \$1,700,000.00 — \$1,100,000.00 cash and \$600,000.00 in notes receivable referred to in note 1. This transaction gave rise to the following write offs, taxes and losses:

Loss on mining property	\$ 587,651.74
Loss on buildings, machinery and equipment	259,360.38
Deferred mine development	126,368.16
Expenses	30,496.10
Income taxes of which \$140,000 are deferred	395,000.00
	<u>\$ 1,398,876.38</u>

4. Statutory information

The aggregate direct remuneration paid to directors and senior officers (as defined in the Business Corporations Act, Ontario) was \$73,850.00 in 1974 and \$104,688.00 in 1973.

M A D S E N

R E L

Our Ten Year

	1938-1974	1974	1973	1972
Ounces of gold produced	2,367,571.004	22,194.687	29,162.880	37,695.64
Tons of ore milled	8,140,233	90,127	126,070	138,250
Recovery of value per ton milled	\$ 11.09	\$ 37.83	\$ 23.05	\$ 16.34
Average price of gold per ounce	\$ 37.94	\$ 153.01	\$ 99.28	\$ 59.64
Income from gold and silver	\$ 90,256,227.52	\$ 3,409,159.25	\$ 2,906,563.42	\$ 2,258,917.55
Operating and marketing costs	\$ 72,368,354.56	\$ 2,533,226.89	\$ 2,391,861.37	\$ 2,307,963.61
Operating profit (loss)	\$ 17,887,872.96	\$ 875,932.36	\$ 514,702.05	\$ (49,046.06)
Sundry income	\$ 1,645,822.15	\$ 202,570.79	\$ 272,832.27	\$ 84,980.23
Emergency gold mining assistance	\$ 7,922,300.00			
Provision for taxes	\$ 4,490,719.70	\$ 520,000.00	\$ 15,000.00	
Depreciation	\$ 5,959,761.34	\$ 343.80	\$ 73,104.37	\$ 69,539.02
Net earnings (loss)	\$ 15,121,748.13	\$ (463,769.61)	\$ 673,943.94	\$ (33,604.85)
Net earnings (loss) per ton	\$ 1.86	\$ (5.14)	\$ 5.34	\$ (0.23)
Net earnings (loss) per share	\$ 4.25	\$ (0.13)	\$.19	\$ (0.01)
Cash profits less net capital expenditure	\$ 15,523,194.81	\$ 1,816,280.14	\$ 697,685.25	\$ 993.15
Dividends paid	\$ 11,938,493.40	\$ 1,493,602.32		
Dividends paid per share	\$ 3.41	\$ 0.42		
Percentage of dividends paid to cash profits less net capital expenditure	\$ 78.95	\$ 82.23		
Working capital	\$ 2,611,594.86	\$ 2,611,594.86	\$ 100,318.72	\$ 40,845.9

LAKE GOLD MINES, LIMITED

Operating Story

1971	1970	1969	1968	1967	1966	1965
44,496.620	40,569.063	60,579.378	56,196.218	70,032.531	69,999.031	87,632.198
146,162	184,530	238,473	265,268	277,566	246,505	292,681
\$ 10.83	\$ 8.10	\$ 9.66	\$ 8.08	\$ 9.60	\$ 10.78	\$ 11.36
\$ 35.33	\$ 36.49	\$ 37.70	\$ 37.70	\$ 37.77	\$ 37.73	\$ 37.73
\$ 1,583,484.23	\$ 1,494,250.97	\$ 2,302,950.62	\$ 2,141,924.67	\$ 2,665,637.73	\$ 2,657,165.51	\$ 3,326,452.29
\$ 2,017,402.16	\$ 2,283,715.55	\$ 2,645,183.27	\$ 2,699,063.09	\$ 2,731,293.97	\$ 2,656,484.09	\$ 2,981,326.38
\$ (433,917.93)	\$ (789,464.58)	\$ (342,232.65)	\$ (557,138.42)	\$ (65,656.24)	\$ 681.42	\$ 345,125.91
\$ 62,202.58	\$ 58,371.14	\$ 136,157.95	\$ 69,762.05	\$ 82,915.96	\$ 60,752.87	\$ 37,349.46
\$ 444,000.00	\$ 416,600.00	\$ 622,000.00	\$ 577,400.00	\$ 630,000.00	\$ 625,000.00	\$ 585,000.00
—	—	—	—	\$ 17,000.00	\$ 65,000.00	\$ 86,500.00
\$ 77,406.52	\$ 96,629.35	\$ 109,459.71	\$ 128,460.65	\$ 156,829.65	\$ 180,025.92	\$ 202,098.68
\$ (5,121.87)	\$ (411,122.79)	\$ 305,465.59	\$ (38,437.02)	\$ 473,430.07	\$ 441,408.37	\$ 678,876.69
\$ (.03)	\$ (2.23)	\$ 1.28	\$ (.14)	\$ 1.70	\$ 1.79	\$ 2.32
\$ (.00)	\$ (.12)	\$.09	\$ (.01)	\$.14	\$.13	\$.19
\$ 48,523.27	\$ (451,879.12)	\$ 269,972.64	\$ 29,755.34	\$ (76,020.27)	\$ 447,161.85	\$ 696,200.34
\$ 104,985.84	—	—	—	\$ 349,952.80	—	\$ 262,464.60
\$.03	—	—	—	\$.10	—	\$.075
—	—	—	—	—	—	\$ 37.78
\$ 5,526.43	\$ 49,350.15	\$ 36,371.63	\$ 15,783.16	\$ 63,398.63	\$ 80,476.00	\$ 112,695.29



COMPARATIVE FINANCIAL SUMMARY

	December 31	
	1974	1973
Tons milled	90,127	126,070
Ounces of gold produced	22,194.687	29,162.880
Average price of gold per ounce	\$ 153.01	\$ 99.28
Value of bullion	\$ 3,409,159.25	\$ 2,906,563.42
Operating expenditures	\$ 2,533,226.89	\$ 2,391,861.37
Earnings before extraordinary item	\$ 935,106.77	\$ 673,943.94
Net earnings (loss)	\$ (463,769.61)	\$ 673,943.94
Earnings before extraordinary item per share	\$ 0.26	\$ 0.19
Net earnings (loss) per share	\$ (0.13)	\$ 0.19
Dividend paid	\$ 1,493,602.32	
Current assets	\$ 3,065,199.17	\$ 2,887,800.55
Current liabilities	\$ 453,604.31	\$ 233,400.02
Working capital	\$ 2,611,594.86	\$ 2,654,400.53
Shares issued	3,556,196	3,520,528

MADSEN RED LAKE GOLD MINES, LIMITED

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